

# **Rochester Board of Education**

## **Finance Committee Meeting**

### **August 17, 2017**

**Attendance:** Commissioner Cruz (Chair); Commissioner Powell

District Staff: Chief Financial Officer; Everton Sewell, Chief of Operations; Michael Schmidt, East EPO Chief Financial Officer; Carleen Pearce, Director of Employee Benefits; Aneli Rivera-Nothnagle

Board Staff: Kallia Wade

Commissioner Cruz convened the meeting at 5:32PM.

#### **I. Question/Answer Session**

Commissioner Cruz convened the meeting, noting quorum and acknowledging the persons present.

#### **II. Review Minutes of July 27, 2017 Finance Committee Meeting**

**Motion** by Commissioner Cruz to approve and accept the minutes of the July 27, 2017 Finance Committee meeting. Seconded by Commissioner Powell. **Adopted 2-0.**

#### **III. Preliminary Discussion of the 2016-17 Year-End Financial Report (Update)**

Chief Financial Officer, Everton Sewell, addressed the committee, indicating that the year-end financial report being presented is preliminary, unaudited, and thus not final. The District's financials are being reviewed based on State reports.

The overall district budget reflects a General Fund amended budget revenue of \$699,525,991 and an appropriated Fund Balance usage of \$15mil. CFO Sewell noted that this Fund Balance usage is as a result of the Community School Grant and the over projection for transportation (the Community Schools Grant application, submitted as planned will be allocated for the Grants and Special Aid Fund for the 2017-18 year). In terms of operations, the District had underspent in other areas by about \$5mil. However, while there was an original proposition to return approximately \$6-7mil into the Fund Balance, this will not be realized. Rather, there would only be tentative \$1-3mil available to be returned instead.

CFO Sewell highlighted that the finance department is working closely with the auditors re the small fund balance. They have noted that there are other items in the overall fund balance, which do not need to be committed, but rather may be indicated as unassigned. CFO Sewell gave the example of Other Post-Employment Benefits (OPEB), which is currently looked at as an expenditure item based on a passed board resolution indicate it as such, but does not need to be because it has already been budget for as an expense. OPEB accounts for \$20mil in committed expenditure from 2011. Actuarial assessments have been conducted annually to note this discrepancy, but the Resolution has not been updated to allow for the change. CFO Sewell noted

that a resolution is required to note that changes will be made based on the recommendation of the actuarial assessments. Further, the finance team is waiting on the auditors to give more guidance on this matter. Commissioner Powell suggested the crafting of a policy statement rather than relying on ongoing board resolutions to indicate assigned versus unassigned expenditure.

Action item: Board staff, Kallia Wade, to work with General Counsel, Karl Kristoff, and CFO Sewell to draft a 1-page policy for the Policy Committee to review. Commissioner Powell suggested that a presentation/ memo accompany the policy for the policy committee, so that the committee can understand what's being presented.

Commissioner Powell suggested that research be conducted to see whether NYSBBA has policy framework to amend what is on the books in situations like this. CFO Sewell also noted that the Finance team is working with the auditors re how to structure the fund balance section. This is so that when the Community Schools Aid grant is approved, the team can recode. As such an amendment will need to be made in September to put back the monies that are reclassified as unassigned and put the monies to the Fund Balance. At that point, the auditors will be able to sign off on the report.

#### **IV. Review and Discuss July 2017 Financial Report**

CFO Sewell continued the discussion, noting that the numbers presented are preliminary and not finalized. Additionally, for 2017-18,

**Motion** by Commissioner Powell to accept both the preliminary 2016-17 Year-end Financial Report and the July 2017 Financial Report. Seconded by Commissioner Cruz. **Adopted 2-0.**

#### **V. Review and Approve Proposed Resolutions for the August 24, 2017 Board Business Meeting**

##### **A. EAST EPO**

- 1. EL Education Inc.– Contract agreement to provide professional development services and training on leadership practices for East High School staff– Resolution No. 2017-18: 140**
- 2. Encompass: Resources for Learning, Inc.– Contract agreement to provide targeted academic support and tutoring for approximately fifty students enrolled in the Quest Program – Resolution No. 2017-18: 141**
- 3. University of Rochester– Contract agreement to provide one (1) Rochester Youth Year AmeriCorps VISTA member to assess student needs and interests, develop and enhance community partnerships, leverage resources and provide other indirect, capacity-building support, with the goal to**

**support staff in enhancing programmatic efforts that ultimately benefit students – Resolution No. 2017-18: 143**

Commissioner Cruz inquired whether there were any questions, inquiries or concerns re the East EPO resolutions. East EPO Chief Financial Officer, Carleen Pearce addressed the committee noting that the East Resolutions are the same contracts the EPO has used in the past. The EL Education Inc. contract has been reduced significantly because a consult was hired as a staff member. The encompass program contract has increased slightly because the Big Picture program is being brought to the East Campus—the resources are being utilized.

Commissioners Powell and Cruz questioned the large sum for provisions to only 50 students (\$3000/ per student), they also queried whether the contract was for 1 year or 3). CFO Pearce noted that the results are showing great improvements and that the work is heavy labor intensive. Additionally the students served tend to be overaged, under-credited, and severely at risk. She also noted that this contract is a one-year contract. However, the intent is to have improvements in the regular classrooms so that the overaged, under-credited population would continue to shrink with the progressive success of the EPO and thus reduce costs. Also the dollar amount listed in the contract is prorated based on the enrollment of the students. CFO Pearce clarified that the vendor Encompass is interchangeable with Quest, as this is the program they offer and that it serves as a move away from Big Picture contract. Assessments completed in the previous academic calendar determined that the contract for the Quest program is more cost effective than the extensive Big Picture Program contract.

CFO Sewell noted that a Resolution is pending on the District's end to enter into a contract with Big Picture to use their name and processes for the All-city program versus the more expensive project that was originally suggested. This Resolution will be run through the Excellence in Student Achievement (ESA) Committee and then will be forwarded to Finance.

Board staff, Kallia Wade, highlighted an area of concern for the East EPO Resolutions. CFO Pearce explained that the EPO's resolutions currently indicate the "Administration" as the funding source, rather than General Fund (which is most accurate). She noted requested for a change to be made, because the wording is causing confusing (public and employees) as they are equating the funding source with the University of Rochester. This change is hoped to be more in line with what is used for other district resolutions. Commissioner Cruz suggested that the resolutions be fashioned to be similar to the facilities resolutions, where the funding stream will be more evident. Board staff Wade to work with the EPO and Jerry Rose to see what can be done to make requisite changes so that consistency will be encouraged.

**Action Items:**

**Motion** by Commissioner Cruz to address and approve the East EPO Resolutions as a bundle. Seconded by Commissioner Powell. **Adopted 2-0.**

**B. PROCUREMENT & SUPPLY**

- 1. D & H Distributing Company– contract extension for graphic and science calculators to be used for math and science instruction for various locations – Resolution No. 2017-18: 173**

2. **A. Daigger & Co., Inc. dba ETA hand2mind; Cascade School Supplies; Community Products LLC dba Community Playthings; Constructive Playthings; Follett Library Resources, Inc. (now Follett School Solutions, Inc.); Kaplan Early Learning Company; Lakeshore Equipment Company dba Lakeshore Learning Materials; National Educational Systems, Inc.; Nasco; Really Good Stuff; and School Specialty Corporation– contract extension for Early Childhood Learning Material to purchase supplies and equipment for various locations– Resolution No. 2017-18: 174**

Commissioner Powell inquired what encompassed the “learning materials” in Resolution No. 2017-18: 174. Board Staff Kallia Wade to inquire with Chief Schmidt following the meeting and report back at the next meeting.

**Action Items:**

**Motion** by Commissioner Cruz to address and approve Procurement and Supply Resolutions as a bundle. Seconded by Commissioner Powell. **Adopted 2-0**

**C. EDUCATIONAL FACILITIES**

**Final Payments:**

1. **Pipitone Enterprises, LLC– final payment for HVAC Work for Renovations to Edison Educational Campus – Resolution No. 2017-18: 175**
2. **Eastcoast Electric, LLC – final payment for Electrical Work for Renovations to Edison Educational Campus – Resolution No. 2017-18: 176**
3. **UDN, Inc.– final payment for Construction Work for Renovations to School No. 9 and Baden Street Recreation Center – Resolution No. 2017-18: 177**
4. **Lozier Environmental Consulting, Inc.– final payment for Air Monitoring Work for Renovations to Franklin Educational Campus – Resolution No. 2017-18: 178**
5. **Lozier Environmental Consulting, Inc. – final payment for Air Monitoring Work for Renovations to Charlotte Educational Campus – Resolution No. 2017-18: 179**

**Action Items:**

**Motion** by Commissioner Cruz to address and approve Facilities final payments as a bundle. Seconded by Commissioner Powell. **Adopted 2-0.**

**Contracts:**

1. **City of Rochester and Baden Street Settlement of Rochester, Inc.– contract for use of the *Clinton Baden Community Center* – Resolution No. 2017-18: 180**

**Action Items:**

**Motion** by Commissioner Cruz to address and approve Facilities Contract Resolution. Seconded by Commissioner Powell. **Adopted 2-0.**

**Other:**

1. **City of Rochester (late submission)– agreement to approve and complete the conveyance a nine (9) foot wide strip of land (the “Parcel”) located on the north side of the Theodore Roosevelt School No. 43 premises, to be dedicated as an additional right of way for street purposes – Resolution No. 2017-18: TBD**

Chief of Operations, Mike Schmidt answered an inquiry from Commissioner Powell, clarifying that the aforementioned resolution was in place to move the bus shelter by the school campus.

**Action Items:**

**Motion** by Commissioner Cruz to address and approve the Facilities Other Resolutions as a group. Seconded by Commissioner Powell. **Adopted 2-0.**

**D. OTHER**

1. **Janice A. Barclay (dba BKL & Associates, LLC)– agreement to collaborate with the District to identify and tailor the most appropriate coaching plans and provide professional learning and executive coaching to approximately 20 assistant principals– Resolution No. 2017-18: 183**
2. **Brandeis University– agreement for the Relational Coordination Research Collaborative of the Heller School for Social Policy and Management to collaborate with the District and provide project scoping, data collection, evaluation design, analysis and reporting services – Resolution No. 2017-18: 184**
3. **YMCA of Greater Rochester –agreement to provide physical education training and use of the [TBD] facility for approximately sixty (60) Career Pathways to Peace students – Resolution No. 2017-18: 185**

4. **YMCA of Greater Rochester –agreement to provide physical education training and use of the Monroe Avenue facility for approximately fifty (50) students in the New Beginnings Program – Resolution No. 2017-18: 187**
  
5. **RJSCB FMP Related — (late submission) to authorize and appropriate up to a maximum of \$750K of the District’s Cash Capital funds to be allocated and transferred to the RJSCB for the specific purpose of funding playground improvements (a soccer field and baseball diamond) at School #50 – Resolution No. 2017-18: TBD**

Commissioner Powell Chief of Operations, Mike Schmidt addressed the committee during this time to answer the commissioners’ questions regarding the facilities resolutions. He noted the need to appropriate up to a maximum of \$750K of the District’s Cash Capital funds to be allocated and transferred to the RJSCB for the specific purpose of funding playground improvements (a soccer field and baseball diamond) at School #50. Following this discussion Chief Schmidt presented to the group using PowerPoint slides, detailing the changes to be done to the School #50 campus.

Director of Employee Benefits, Aneli Rivera-Nothnagle addressed the committee following up on the presentation made at last month’s meeting. Though the Resolution was late in arriving to the committee, the district had indeed awarded the employee benefits contract to Lawley Benefits Group LLC.

**Action Items:**

**Motion** by Commissioner Cruz to address and approve the Other Resolutions as a group. Seconded by Commissioner Evans. **Adopted 2-0.**

**Motion** by Commissioner Powell to address and forward the verbal report of the Lawley Benefit group LLC contract for healthcare as a late resolution to the next Board Business Meeting . Seconded by Commissioner Evans. **Adopted 2-0**

Next monthly Finance Committee Meeting: September 21, 2017. Meeting adjourned at approximately 6:25PM